

Priorities and Performance Evaluation

1. The Intelligence Community has wrestled for many years with schemes for allocating collection resources and responsibilities and for measuring collection and analysis performance. None have been notably successful. Now, with the establishment through the CFI of unified procedures for management and resource allocations within the Community, it becomes essential that this task be done much better than it has in the past.

2. The reasons for past failure are many, but one of the most important has been that various devices and programs have been developed independently of one another. We have never gone back to the beginning and asked ourselves what specifically we want to accomplish, what information we need and for what purpose, and on this basis designed a coherent system to meet our needs. At present, we have Perspectives, Objectives, KIQs, KEP, DCID 1/2, MBO, and a variety of less comprehensive evaluation and requirements mechanisms. Rather than attempt to modify these programs and wire them together somewhat differently in the hope of marginal improvement, we should now try to construct a model that will meet the needs of 1976 and beyond.

3. Some of the considerations that should go into model design are:

- Decisions as to what to collect and evaluations of collection should be based on the views of analysts who need the information.
- All such views are in the final analysis subjective. To achieve any objective measure, means must be found to disaggregate to the level of daily judgment-making by individual analysts. The narrower and more numerous the decisions, the more subjective factors will be cancelled out.
- Individuals will contribute effectively only if they understand and support the objectives of the system. For the analyst in particular, the contribution he is

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asked to make must be intellectually respectable. He must not be asked to assign numbers to things which he knows are not quantifiable.

- The system must not be onerous. It must be built into daily routines in such a way that contributions to it are semiautomatic and not time-consuming.
- Any system can only yield coarse measurements and give general guidance. The Community is too complex, its problems too diverse, and the requirements placed on it too demanding for precision to be obtained. We cannot transform our sledgehammer into a scalpel; the best we can hope for is a dull kitchen knife.

Priorities

4. The requirements of the US Government for foreign intelligence are roughly defined by the NIS outline, and every officer of the USG has a duty to collect all possible information against that outline. As a general principle, this should be reaffirmed. In practical terms, however, information is infinite and means of collection are finite. Those who are allocating resources to collection systems, designing those systems, and giving them long-term collection guidance need to have a system of priorities that will enable them to make the best use of the resources available.

5. Under E.O. 11905, this means a system that sets priorities to guide the CFI in allocating resources to collection managers and yields measurements to tell the CFI whether collection managers are observing these priorities. Such a system must be comprehensive; it must relate all topics and all collection systems. It must be weighted; it must not only say that Soviet strategic weapons are more important than Chinese ground forces, but state how much more. Finally, it must be valid over long enough periods of time to influence budget decisions.

6. The priorities side of this requirement might be met by a major modification of DCID 1/2 to provide a simpler matrix, weighted numbers, and a longer time cycle. The evaluation side is more difficult, but not impossible. The DDI has for years been

running a program based on disaggregated analyst judgment, i.e., determination of "key sources" for items of output. Such a program, which measures analyst use of information, could be extended across the full range of production and across the full Community. The results would give a rough measure of how well collection output matched priorities.

7. Another measure that might become available in a few years is analyst filing. The SAFE system, without requiring any additional action by the analyst, could be made to yield comprehensive statistics as to which reports of which collectors were selected for file by which analysts. It is doubtful that we could ever obtain a better measure of value than this. The possibilities here should be pursued vigorously; they might indeed provide a stronger argument for SAFE than any that has yet been made.

Special Requirements

8. Any comprehensive priorities system has to be general. We therefore need to operate within the requirements it generates a sub-system of guidance to collectors that will enable us to focus our resources on problem areas, i.e., Key Intelligence Questions as they were originally defined. Under this concept such problems:

- Would be rigorously selected to fill recognized gaps in our knowledge.
- Would be specific; we would have to be able to tell with some certainty whether we had solved them.
- Would be important enough to engage the attention of all appropriate elements of the Community, and important enough to justify the diversion of systems and resources.
- Would be flexible in the time dimension. Individual questions could be designated or eliminated at any time, and would range from short-term tasking in crisis to the pursuit of a particular piece of technical information over several years.

9. Important problems so defined would require strategies for satisfying them and periodic evaluation of the results. They would be in effect self-measuring. But they would not and could not yield comprehensive and systematic data of the sort provided by the general priorities system. Rather, they would supplement that data with a more subjective measure of the capabilities and value of collection systems and the quality of their management. A great fault of the present KIQ-KEP is that it attempts to mix these two functions.

10. Such a system backed by a general priorities system should be able to meet most, if not all, continuing needs. There are two other needs, however, that cannot be met systematically. The first of these is the major ad hoc decision, usually resource-oriented.

[redacted] these decisions require detailed study by analysts, correctors, and resource managers working in concert. The second need is at the other end of the spectrum, the myriad day-to-day ad hoc decisions made by middle managers or individual officers. There is needed some conceptual guidance or perspectives that will enable the middle or lower level officer to understand the relationship of his own narrow responsibility to the larger objectives of the Community as a whole. This guidance could not be directive, but would nonetheless have a considerable long-term influence by enabling him to make his decisions within this larger framework.

11. In a logical world, just as evaluation of collectors should be based on the analyst, evaluation of analysis, or of finished intelligence, should be based on the consumer. In the real world, however, this is probably impossible. All consumer judgments are highly subjective, being influenced by such factors as whether an answer is the one the consumer wants to hear. Moreover, the kind of disaggregative system that can be imposed on the analyst will not do for the senior consumer. In fact, he will not sit still for any systematic approach to evaluation.

12. If the consumer cannot provide systematic evaluation, the Community must do it for itself. It can, for instance, derive certain numerical measures of output.

- Volume of output, e.g., pages per analyst per year. This is by all odds the worst approach one could take. Its use would convey precisely the wrong message to production managers and analysts.

- Allocation of analyst time by subject. Such statistics, perhaps coupled with some output measure in relative terms, e.g., X percent of output directed to Soviet strategic programs, would indicate in a rough way whether production managers were paying attention to priorities. There are pitfalls here, however. Current intelligence, emphasizing topical matters, will never reflect national priorities. In column-inches, the NID probably gives as much space to Portugal as to Soviet strategic programs.
- Accuracy of prediction. A few years ago OCI ran an experiment in which each "predictive statement" was extracted from its output. Book was then kept on the results over time. The statistics derived were essentially meaningless. For example, in a great many cases it was never possible to determine whether a statement had been accurate. Circumstances had changed, or events had moved more slowly, or the event predicted took place in a different way or in a different context. And the knowledge that such statistics were seriously collected would have induced extreme caution in the analyst.

*Also it should
reflect how managers
allocate analysts as
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13. Of these measures, only the last even approaches the problem of quality. The classic approach to quality has been the crisis post-mortem, from which results have been uneven at best. When done by the analytic organization, the post-mortem has often tended to be a self-serving response to a perceived threat. When done by an outside organization, it has often suffered from instant hindsight and from a lack of understanding of important elements of the problem. After an important analytic failure, however, there is always a period of candid (and private) introspection by senior analysts, out of which can come wisdom acquired and shortcomings remedied in more effective ways than formal post-mortems can achieve.

14. The record suggests two approaches that can be pursued independently or together.

- Require each producing branch to review its output annually. These reviews should be as candid as possible, and should involve all the analysts of the branch. The main purpose should be self-examination. Reviews should be eyes only matters read by supervisors no more than two echelons upward; they should never be passed outside the producing organization.
- Assign the same task to panels of senior analysts. They should be recent returnees or on final assignment, and they should review the work of branches other than their own. A comparison of these assessments with those prepared by the branches themselves might in itself be a useful management tool.

15. There is attached an incomprehensible sketch. It is not intended as a proposal, only an illustration of what a model might (vaguely) resemble.